



FUNDING ACTIVITIES AT THE HUNGARIAN SCIENTIFIC RESEARCH FUND (OTKA)

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FUNDING RESEARCH AND DEVELOPMENT IN HUNGARY

- Hungary: 10 013 thousand inhabitant
- GDP: 99 003 million in euros (2009)
- S+T+I from GDP: ~1%, 990 million in euros
- Competitive S+T+I funding:
 - NORT (NKTH): 200 M Euros /2009
 - OTKA: 20 M Euros/2010
 - Together with NKTH another 7,12 M Euros
- Total researcher FTE (2008): 17 391
- Budget of OTKA is determined by the Parliament each year suggested by the Ministry of Finances



ACTIVITIES / FUNDING INSTRUMENTS OF OTKA

- Yearly one or two competitions
 - Main activities:
 1. Basic research grants (3-4 years)
 2. Targeted research in S+T (funds from NORT/NKTH)
 - Small scale activities
 3. Young investigators grants (3-4 years)
 4. Sabbatical
 5. Supplementary for international cooperation
 6. Grants for research in international cooperation
 7. Publication grants



ADMINISTRATION AT OTKA

- At any time point 1000-2000 contracts are handled
- Each year 1000 to 2000 applications are handled
- OTKA Office is the administrative handler
 - 45 employee
 - 10 employees handle finances, check financial reports, handle on-site controls
 - 8-10 employees serve logistics
 - 25 employees in 3 departments work with applications, peer review, contracts and interim and final reports



PEER REVIEW

- Proposals are handled in a 3 level system:
 1. Experts review (at least 3 reviewers for each proposal, one from abroad)
 2. Panel meetings with ranking lists (only qualitative research projects are advised for funding)
 3. Approval of Scientific Colleges
 4. Approval of OTKA Committee (formal decision maker)



CHECKING THE USE OF FUNDS

- During peer review and before signing the contract the budget is evaluated, and corrected through negotiation if needed
- Financial reports are scanned for possible spending on items not allowed
 - If not allowed items are found the cost cannot be accounted for
 - Funds can be used for other costs of the project or have to be reimbursed.
- No cost extension is possible and unspent funds can be used for extending the projects for another period



FUNDING PRINCIPLES

- According to financial plan/budget. Requested budget usually honored in the contract
- Planning generally for 12 months intervals, but interval length can be flexible
- Each interval ends with a summary financial report (details can be checked on site if needed)
- Final financial report also in summarized manner
- Justification is needed when in a cost category the planned amount is overspent by more than 25%
- Flexible financial plan, can be modified in case scientifically justified
 - Modification requests are handled by the project manager
- Finances handled by the research institution
 - Spending only when authorized by the principal investigator
- Permissible cost categories
- Prohibited spending categories



COSTS ALLOWED

- Personnel
 - Salary
 - Contract work
- Travel conferences
- Consumables
- Instruments, investment



NOT ALLOWED

- Any kind of profit from grant funds
- Bonuses to personnel on the grant
- Funds requested for employing young scientists cannot be diverted to other cost categories, in case of no use, it should be reimbursed
- No order or payment can be authorized by the PI to any SME, where he/she or family members are owners/employee



FLEXIBLE USE AND MISUSE OF FUNDS

- About 35 % of the projects will request and will be granted budget modifications
- A small percentage of the requests are not honored
- Correction requests for the financial reports is in the range of 10%
- Reimbursement of funds at the end of the project period because of misuse of the money is in the range of 1%
- In a small minority of the cases serious misuse and unethical use of the funds is discovered and is followed by sanctions, such as reimbursement, exclusion from receipt of public funds (for up to 5 years).



FUNDING STRATEGY

- If budget request is deemed unrealistic by peer review/committee, a 25% reduction is possible. If more than 25% overplanned, then reject is the only option.
- The funding requests in the applications govern the allocation of funds to the three main areas (Colleges/Departments). The funds are spent in the 3 Scientific Colleges in the function of the needs handled by PI
 - Humanities and Social Sciences : 20-25% in the last 5 years
 - Physical Sciences: 35-40% in the last 5 years
 - Life Sciences: 45-50% in the last 5 years
- About 25-30% of the applications are funded



ANALYSES HELPING STRATEGY DECISIONS

- Calculation of specific costs (personnel, conference, consumables and investments) for each type of application/grant in each of the 3 main scientific areas
- Calculation of costs for 1 FTE
- Calculation of added value by the research institutions to OTKA funds. In the last 3 years OTKA funds are matched by the same amount from the institutions via the salaries of the PI and other investigators.





Thank you for your attention!